

ORIGINAL

Approved:

ASHLEY C. NICOLASASHLEY C. NICOLAS
Assistant United States AttorneyDOC # 1Before: THE HONORABLE DEBRA FREEMAN
United States Magistrate Judge
Southern District of New York

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UNITED STATES OF AMERICA

- v. -

QUASHON BURTON,

Defendant.

:	<u>SEALED COMPLAINT</u>
:	Violations of
:	18 U.S.C. §§ 371, 641,
:	1028A(a)(1), and 2.
:	COUNTY OF OFFENSE:
:	BRONX AND NEW YORK

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SOUTHERN DISTRICT OF NEW YORK, ss.:

JEFF ANDRE, being duly sworn, deposes and says that he is a Postal Inspector with the United States Postal Inspection Service (USPIS), and charges as follows:

COUNT ONE
(Conspiracy to Steal Government Funds)

1. From at least in or about June 2020 up to and including in or about May 2021, in the Southern District of New York and elsewhere, QUASHON BURTON, the defendant, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other, to commit an offense against the United States, to wit, theft of government funds, in violation of Title 18, United States Code, Section 641.

2. It was part and object of the conspiracy that QUASHON BURTON, the defendant, and others known and unknown did embezzle, steal, purloin, and knowingly convert to their use and the use of others, vouchers, money, and things of value of the United States and a department and agency thereof, to wit, the Payment Protection Program ("PPP") of the Small Business Administration ("SBA"), which exceeded the sum of \$1,000, and did receive, conceal, and retain the same with intent to convert it to his use and gain, knowing it to have been embezzled,

stolen, purloined and converted, in violation of Title 18, United States Code, Section 641.

Overt Acts

3. In furtherance of the conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about July 26, 2020, QUASHON BURTON, the defendant, accessed a particular bank account ("Bank Account-1") at an ATM in the Bronx, New York.

b. On or about July 27, 2020, BURTON attempted to purchase six postal money orders at a postal facility in New York, using two Chime bank cards ("Victim Bank Card-1" and "Victim Bank Card-2") in the names of two victims of identity theft, both of which cards received proceeds of fraudulent SBA PPP loans.

(Title 18, United States Code, Section 371 and 2.)

COUNT TWO

(Theft of Government Funds)

4. In or about July 2020, in the Southern District of New York and elsewhere, QUASHON BURTON, the defendant, did embezzle, steal, purloin, and knowingly convert to his use and the use of others, vouchers, money, and things of value of the United States and a department and agency thereof, to wit, the Payment Protection Program ("PPP") of the Small Business Administration ("SBA"), which exceeded the sum of \$1,000, and did receive, conceal, and retain the same with intent to convert it to his use and gain, knowing it to have been embezzled, stolen, purloined and converted.

(Title 18, United States Code, Sections 641 and 2.)

COUNT THREE

(Aggravated Identity Theft)

5. From at least in or about July 2020, up to and including in or about August 2020, in the Southern District of New York and elsewhere, QUASHON BURTON, the defendant, knowingly did transfer, possess, and use, without lawful authority, a means of identification of another person, during and in relation to a felony violation enumerated in Title 18, United States Code, Section 1028A(c), to wit, BURTON used the names and

dates of birth of other persons to steal government funds through his fraudulent application for and receipt of SBA PPP loan benefits, as charged in Counts One and Two of this Complaint.

(Title 18, United States Code, Sections 1028A(a)(1), 1028A(b), and 2.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

6. I am a Postal Inspector with USPIS, and I have been personally involved in the investigation of this matter. This affidavit is based on, among other things, my conversations with law enforcement officers and others, my examination of reports and records prepared by law enforcement officers and others, and my involvement in this investigation. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all the facts that I have learned during the course of my investigation. Where the contents of documents and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

7. Based on my participation in this investigation, I have learned that QUASHON BURTON, the defendant, has engaged in a scheme to obtain approximately \$149,800 in SBA PPP loan proceeds by fraudulently filing for benefits using the names, dates of birth, and social security numbers of at least four other people.

COVID-19 SBA PPP Loans

8. The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") provided for the authorization of billions of dollars in forgivable loans to small businesses for payroll, mortgagee interest, rent/lease, and utilities through PPP. In order to obtain a PPP loan, a qualifying business was required to submit a PPP loan application. The application required applicant businesses to state, among other things, their average monthly payroll and number of employees. These figures were then used to calculate the amount of money each business was entitled to under the PPP.

9. The CARES Act also gave states the option to extend unemployment compensation to workers who are traditionally ineligible for UI benefits and provided additional administrative funding to allow states to respond to the needs

of workers during the pandemic. The UI programs are administered through state Departments of State and, in most instances, claimants are permitted to file for benefits through an online portal.

The Bank Cards

10. Based on my review of bank records obtained from a national financial institution ("Bank-1"), I have learned, among other things, the following:

a. Victim-1 Bank Card was registered to an individual ("Victim-1") at a particular address in East Orange, New Jersey (the "East Orange Address") and with a particular date of birth in 1981 ("Victim-1 Birth Date").

b. Victim-2 Bank Card was registered to an individual ("Victim-2") with a particular date of birth in 1969 ("Victim-2 Birth Date"). The Victim-2 Bank Card was registered to the East Orange Address and with a particular telephone number ending in 4515 (the "4515 Number").

Bank Account-1

11. Based on my review of bank records obtained from a national financial institution ("Bank-2"), I have learned, among other things, the following:

a. On or about June 30, 2020, a bank account ("Bank Account-1") was opened online through Bank-2 in the name of a particular individual ("Victim-3").

b. Bank Account-1 is associated with the East Orange Address and the phone number associated with Bank Account-1 is a particular phone number ending in 3196 (the "Burton Number").

The SBA PPP Loan Applications

12. Based on my review of bank records obtained from Banks-1 and -2, as well as records obtained from SBA, the Texas Secretary of State, and the Bexar County clerk in Bexar, Texas, I have learned, among other things, the following:

a. On or about July 17, 2020, an SBA PPP Loan application ("Loan Application-1") was submitted in the name of an individual ("Victim-4") with the same name as Victim-1 but with a birthdate different than the Victim-1 Birth Date. Loan Application-1 listed a particular email address ("Email Address-

1") and purported to have been submitted on behalf of a daycare facility based in San Antonio, Texas (the "Daycare Facility"). Loan Application-1 also listed the 4515 Number, that is, the phone number registered to Victim Bank Card-2.

b. On or about July 17, 2020, an SBA PPP Loan application ("Loan Application-2") was submitted in the name of an individual ("Victim-5") with the same name as Victim-2 but a different birth date than the Victim-2 Birth Date. Loan Application-2 listed a particular phone number ending in 3749 (the "3749 Number") and purported to have been submitted on behalf of a flooring company in San Antonio, Texas (the "Flooring Company"). Loan Application-2 was submitted from a particular IP address ending in .241.2 (the ".241.2 IP Address").

c. There are no businesses registered in the state of Texas in the names of Victim-1, -2, -4, or -5.

The IP Address

13. Based on my review of records provided by a particular internet service provider as well as a particular hotel on 7th Avenue in Miami, Florida (the "Miami Hotel"), I have learned, among other things, the following:

a. The .241.2 IP Address is registered to the Miami Hotel.

b. The .241.2 IP Address accessed the Victim-1 Bank Card account at least seven times in July and August 2020, including on or about July 17, 2020 (the date that Loan Application-1 was submitted).

c. The .241.2 IP Address accessed the Victim-2 Bank Card account at least three times in July and August 2020, including on or about July 17, 2020 (the date that Loan Application-2 was submitted).

d. From on or about August 25, 2020 through on or about August 27, 2020, and again from on or about August 28, 2020 through on or about August 31, 2020, QUASHON BURTON, the defendant, was a registered guest at the Miami Hotel.

The PPP Loan Proceeds

14. Based on my review of records from the SBA, the Victim-1 and -2 Bank Cards, Bank Account-2, and the U.S. Postal Service, I know, among other things, the following:

a. On or about July 20, 2020, the SBA deposited \$79,900 onto the Victim-1 Bank Card pursuant to Loan Application-1.

b. On or about July 20, 2020, the SBA deposited \$69,900 onto the Victim-2 Bank Card pursuant to Loan Application-2.

c. On or about July 26, 2020, ATM surveillance video captured an image (the "ATM Image") of an individual accessing Bank Account-1. I have compared the ATM Image with arrest photographs of QUASHON BURTON, the defendant, and I have concluded that they depict the same individual.

d. On or about July 27, 2020, a total \$10,000 was transferred from the Victim-1 and -2 Bank Cards¹ to Bank Account-1.

e. On or about July 27, 2020, BURTON attempted to use the Victim-1 and -2 Bank Cards to purchase six U.S. postal money orders totaling \$6,004.50 from a postal facility in New York, New York. At the time of the attempted purchase, Postal Inspectors confronted BURTON who identified himself as "Quashon Burton." Postal Inspectors confiscated the Victim-2 Bank Card.

The Casino Arrest

15. Based on my review of records and surveillance images obtained from a particular casino in Mt. Pocono, Pennsylvania (the "Mt. Pocono Casino") and Pennsylvania State Police, I know, among other things, the following:

a. On or about August 4, 2020, QUASHON BURTON, the defendant, was arrested at the Mt. Pocono Casino. At the time of his arrest, BURTON identified himself as Victim-1. BURTON also stated that his phone number was the Burton Number,² that is, the phone number associated with Bank Account-1.

¹ \$5,000 was transferred from each card.

² According to law enforcement databases, the Burton Number is associated with QUASHON BURTON, the defendant.

b. At the time of his arrest, BURTON presented a fake New Jersey driver's license bearing his picture and the name of Victims-1 and 4. He was also in possession of the Victim-1 Bank Card.

The Phone and Email Records

16. Based on my review of phone records provided by the provider for the Burton Number I know, among other things, that on or about July 17, 2020 (the day Loan Applications-1 and -2 were submitted), the Burton Number — the phone number belonging to QUASHON BURTON, the defendant — was in contact with the phone numbers associated with both Loan Application-1 (the 4515 Number) and Loan Application-2 (the 3749 Number).

17. On or about June 4, 2021, the Honorable Sarah L. Cave, United States Magistrate Judge, Southern District of New York, authorized a warrant and order for historical location information for the Burton Number (the "Cellsite Warrant"). Based on my review of the returns from the Cellsite Warrant, I know, among other things:

a. On or about July 17, 2020 — the day Loan Applications-1 and -2 were submitted — the user of the Burton Number was in Miami, Florida, in the vicinity of the Miami Hotel.

b. On or about July 26, 2020 — the day BURTON accessed Bank Account-1 was accessed in the Bronx, New York — the Burton Number was in the Bronx, New York in the vicinity of the ATM.

c. On or about July 27, 2020 — the day BURTON purchased the money orders — the Burton Number was in New York, New York in the vicinity of the postal facility.

18. Based on my review of the Cellsite Warrant returns as described above, I believe that QUASHON BURTON, the defendant, is the owner of the Burton Number and that BURTON was (i) in the vicinity of the Miami Hotel on or about July 17, 2020; (ii) accessed Bank Account-1 on or about July 26, 2020; and (iii) purchased postal money orders in New York, New York, on or about July 27, 2020.

19. Based on my review of records provided by the provider for Email Address-1, I know, among other things, the following:

a. Email Address-1 — which appears on Loan Application-1 — is subscribed to a user whose name is a slight misspelling of Victims-1 and -4's name. Based on my training and experience, I know that slight misspellings are common in email accounts established to appear legitimate while perpetrating fraud.

b. Email Address-1 is registered to the 4515 Number.

Additional Applications for Benefits

20. On or about May 17, 2021, the Honorable Robert W. Lehrburger, United States Magistrate Judge, Southern District of New York, signed an order pursuant to 18 U.S.C. § 2703(d) for non-content information including header information for the Subject Account (the "2703(d) Order"). Based on my review of the information provided pursuant to the 2703(d) Order, I know, among other things, that between July 2020 and May 2021, the Email Address-1 received emails from:

- a. At least four Departments of State including the offices for New York, Alaska, Arizona, and Indiana.
- b. At least eight financial institutions.
- c. At least one cryptocurrency exchange.

21. Based on my review of records obtained from Bank-2, I know that, on or about August 20, 2020, Bank Account-1 received a \$10,506 deposit from the Arizona State Department pursuant to an unemployment insurance claim that was submitted from an IP address that traces back to another individual ("CC-1").³

22. Based on my conversations with law enforcement officers in Murphy, Texas, I know that on or about August 28, 2020, CC-1 was arrested in possession of, among other things, debit cards in the names of individuals other than CC-1 and bulk cash.

³ On or about August 24, 2020, Bank-2 closed Bank Account-1 on suspicion of fraud.

The Victims

23. Based on my review of Department of Motor Vehicle ("DMV") records, I know, among other things, the following:

a. Victim-1 was born on a particular date in 1981 and resides in New York.

b. Victim-2 was born on a particular date in 1969 and resides in California.

c. Victim-3 was born on a particular date in 1981 and resides in California.

d. Victim-4 has the same first and last names as Victim-1, was born on a particular date in 1969, and resides in Texas.

e. Victim-5 has the same first and last names as Victim-2, was born on a particular date in 1951, and resides in Texas.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of QUASHON BURTON, the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

s/Jeff Andre, by the Court, with permission

JEFF ANDRE
Postal Inspector
United States Postal Inspection Service

Sworn to me through the transmission of this Complaint by reliable electronic means, this 29th day of November, 2021.

Debra Freeman

(telephone)

THE HONORABLE DEBRA FREEMAN
United States Magistrate Judge
Southern District of New York